

# Republic of the Philippines COMMISSION ON AUDIT

## PROMOTING GOOD GOVERNANCE IN THE NEW NORMAL

### The Commission on Audit

The Commission on Audit, as one of the most important safeguard in good governance embedded in the 1987 Constitution of the Republic of the Philippines, serves as the supreme auditing arm of the Philippine government.

As an independent constitutional commission, the role of the COA in promoting good governance and accountability is primordial. For more than a century of its existence, the COA plays a unique and critical role in promoting public trust in the Government, by establishing an environment of public accountability through fiscal transparency.

### The Citizen's Participatory Audit

Guided by our mission ***“to ensure accountability for public resources, promote transparency, and help improve government operations, in partnership with stakeholders, for the benefit of the Filipino people”***, the Commission on Audit established the Citizen's Participatory Audit or CPA.

The CPA is mechanism for strategic partnership and sharing of aspirations goals, and objectives between COA and civil society. It is both a strategy and technique in audit. As a strategy, the CPA upholds the people's right to a transparent government and use of public resources built on the premise that public accountability prospers with a vigilant and involved citizenry.

The citizens are our major stakeholders. On the premise that public accountability can prosper only with a vigilant and involved citizenry, the CPA is an audit technique that brings together civil society organizations, citizens and auditors of the COA into one audit team. The citizen-partners are given first-hand experience and knowledge in the systems and processes of public audit, with the citizen involvement as the keystone towards improving transparency and efficiency in the use of public resources. In terms of accountability, the presence of citizens as members of COA audit teams opens to the public abuses of public officials in audited institutions.

You may visit <https://cpa.coa.gov.ph> for more information about CPA.

## **The Philippine Performance Audit Partnership (PPAP) Project**

In 2017, in order to enhance and expand performance audit, COA created the Performance Audit Office (PAO) that shall solely be dedicated to performance audit.

Thereafter, the Commission on Audit entered into a Memorandum of Understanding with the U.S. Agency for International Development (USAID) and U.S. Government Accountability Office – Center for Audit Excellence (USGAO-CAE) for the PPAP Project. Under the agreement, the USGAO-CAE will provide technical assistance to COA to further institutionalize its performance audit capacity and to scale up policy and operational guidelines for performance auditing, and its interference with agencies and legislators to enhance oversight and accountability government.

Since its creation in 2017 the PAO has delivered 10 Performance Audit Reports on various selected government programs. The said results of the performance audits are published in the COA official website.

## **Collaboration with Various Anti-Corruption Bodies and Agencies**

The Commission on Audit has sealed partnership with various government agencies with unparalleled proficiency in their respective mandates and duties.

- A Joint Investigation Team was created between COA and the Office of the Ombudsman (OMB) for a more effective fraud audits, investigation and prosecution of graft and corruption cases. The improved collaboration between COA and OMB aims to fast-track investigation and prosecution of high-value and high-profile cases.
- A Task Force against Corruption involving the COA, the OMB and the Department of Justice was created to investigate graft and corruption in all government offices, including the judiciary and legislative branches. The Task Force aims to prioritize the reports of the COA to facilitate the investigation and prosecution of high profile anti-corruption cases.
- The Commission has also separately entered into a Memorandum of Agreement with the Philippine Competition Commission (PCC), the Anti-Money Laundering Council (AMLC) and the Presidential Anti-Corruption Commission (PACC). These Memorandum of Agreements cover the area of coordination and cooperation, and seeks to strengthen the information

exchange and to harmonize the approach of the parties in the performance of their respective mandates.

- A Memorandum of Agreement is underway between the Department of the Interior and Local Government, the Civil Service Commission, the OMB, the COA, and the PACC for the efficient coordination and harmonization of enforcement functions of the parties. The MOA underscores the potential of an Inter-Agency Cooperation in curbing corruption to contribute towards the attainment of public's trust and confidence,

## **The Commission on Audit in the Next Normal and Way Forward**

The Commission on Audit, in the exercise of its constitutional mandate, explores the use of advances in science and technology in auditing to keep pace with the increasing digital transformation of its audited agencies and the resulting surge of digital data for available audit. Last year, COA launched the **Machine Intelligence, Knowledge-based Audit, and Experience Learning techniques (MIKA-EL)** project, a system designed to help the auditing units with their needs in processing and analyzing data from their audited agencies.

Since the outset of the pandemic in 2020, the Commission on Audit has issued several guidelines on the implementation and use of various Information Technology services in support to the operation of COA offices especially in this time of the new normal when employees are in Work from Home or in Telework arrangement:

- Guidelines on the use of Electronic Documents in the Government Transactions
- Guidelines in the Operationalization and Implementation of Online IT Support Systems
- Guidelines on System Evaluation of Electronic Collection Systems used by Audited Entities
- Electronic Submission of Requests for Legal Services from the Legal Services Sector Under the New Normal Work Environment and Alternative Work Arrangement
- Guidelines in the Operationalization and Implementation of the Agency Records Custodial Information System (ARCIS) in the Commission
- Guidelines on the Installation, Utilization, and Maintenance of the Commission on Audit Orders of Execution Management Information System (COEMIS), and institutionalization of the COEMIS of Final and Executory Decisions at Different Adjudication Level in COA

Moreover, in view of the adverse effect and serious threat of the Corona Virus Disease 2019 (COVID-19) to health, safety, security and livelihood of the Filipinos, a state of national emergency was declared under Republic Act (RA) No. 11469 or the Bayanihan to Heal as One Act which was approved on March 24, 2020; and in view of the need for sustained COVID-19 response and recovery interventions by the government, RA No. 11494 or the Bayanihan to Recover as One Act was approved on September 11, 2020.

To fully account the receipts and utilization of COVID-19 funds from all sources and to ensure that information on the funds and their use are reliable, accurate and transparent to enhance accountability, the COA issued the *Guidelines in the Financial and Compliance Audit of the Corona Virus Disease (COVID-19) Funds during the period of the State of National Emergency*.

COA also issued the **Audit Guidelines on the COVID-19 Vaccination Program of the Government** to ensure the completeness and accuracy of accounting and documentation of the distribution of vaccines, and the accuracy of the reporting therefor, as well as the existence of the listed vaccine-recipients

Furthermore, COA created a Task Force to study the implementation of a Modernization Program that would enhance COA's resilience against future disruptions cause by crises and in order to remain relevant amidst a fast-changing environment by harnessing advances in Science and Technology and using it as tools in improving public auditing.

Like any other institution, continuity of service is a huge challenge for COA in time of crises as routine, traditional and predictable audit processes need to be replaced with unconventional and innovative audit strategies. To facilitate the continuation of its operations, fulfill its mandate, retain public trust on government audit and at the same time, protect the welfare of its employees during the period of uncertainties, COA found the need to develop a comprehensive Audit Service Continuity Plan (ASCP).

Currently, the Commission is developing ASCP that will provide a framework for building and strengthening its organizational resiliency and capacity for emergency preparedness and disaster response and recovery.